

## CHAPTER 9

### CONSOLIDATION OF DOMESTIC HOUSEHOLD GOODS SHIPMENTS

1. Reference is made to the following documents:

A. Department of Defense (DOD) 4500.9-R, Chapter 402, Household Goods and Unaccompanied Baggage

B. Domestic Personal Property Rate Solicitation, Items 314, Consolidation of Shipments, and 803, Consolidated Shipment

2. PPSO's will make a consolidated shipment when all of the following conditions are met. The following rules must be applied when consolidating shipments:

A. Two or more members' goods are moving concurrently from the same area served by the origin PPSO to, or toward, the same destination area.

B. Line haul savings resulting from the use of the lower rate applicable to the higher weight bracket reached by consolidation are more than the charges for extra pickup and delivery.

C. Service to the members will not be impaired.

D. All shipments must be offered to the carrier at the same time with consecutive pickup dates.

E. Separate BLs will be used for each member's property. BLs must be cross-referenced with the notation: "This is a consolidated shipment comprising BL numbers (list all other BL numbers involved in the consolidated shipment).

F. Accessorial charges will be computed as though each portion were an individual shipment.

G. Line haul rate will be based on the total weight and mileage from the first pickup to the FARTHEST destination point by way of all points.

H. All shipments must be released at the same released valuation.

I. The charge for extra pickup and delivery will apply for each stop after the first pickup and after the initial delivery. Should all portions of the shipment be placed into the same warehouse at destination, no additional stop-off charge will apply.

J. Only one shipment charge will apply for the entire consolidation.

3. Questions and answers are provided below to further clarify the rules applicable to consolidation of shipments.

QUESTION: If three members' property weighing 3,980, 1,990, and 5,980 pounds were consolidated as one shipment, would the total weight be 11,950 or would 3,980 be considered 4,000, 1,990 as 2,000, and 5,980 as 6,000, for a total of 12,000 pounds?

ANSWER: Line haul charges for the consolidated shipment are based on the total weight of all portions – 11,950 lbs. The breakpoint applies only to the total weight, not on individual weights of each portion.

QUESTION: On a consolidated move involving property of five members, how many extra pickups and deliveries would apply?

ANSWER: There would be four extra pickups. Deliveries would be based on the actual number of additional stops/deliveries. The line haul rate includes the first pickup and delivery. Each delivery after the initial delivery to either a residence or storage warehouse would be a stop-off. Two deliveries to the same warehouse would be counted as one.

QUESTION: If the shipments were from various points and places, how would the distance be determined?

ANSWER: The line haul transportation rate is based on the distance from the first point of pickup to the farthest point of delivery via all points of pickup and delivery.

QUESTION: Two shipments are moving from and to the same points and the PPSO wants to take advantage of the lower rate associated with consolidations. However, one shipper wishes to place a lump sum valuation on his shipment. The second shipper is agreeable to the released value of \$1.25 per pound. Can the PPSO consolidate these shipments?

ANSWER: No. Even though separate BLs are issued for each member, the carrier considers a consolidation as one shipment. All portions of that shipment must be released at the same valuation.

QUESTION: Are multiple BLs permitted on consolidations?

ANSWER: Individual BLs could be issued for each portion of the consolidated shipment as long as the BLs are properly cross-referenced. Each portion of the consolidated shipment will be considered as a separate shipment in the computation of accessorial charges. The line haul transportation charge will be based on the total weight of the consolidated shipment from the first point of pickup to the FURTHEST point at destination via all points of pickup and delivery. A charge for each extra pickup and delivery will apply. MAXPACK provisions will apply on each portion of the shipment.

QUESTION: Several days after tendering a shipment to a carrier, another application is received for shipment between the same points. The first shipment has not been picked up. Can these shipments be consolidated?

ANSWER: No. Neither will they be able to get the advantage of a reduced rate for line haul. Shipments must be tendered to the carrier and accepted by that carrier at one time. Carriers must have full information in order to provide proper dispatch. The PPSO may, however, book the shipment with the same carrier for early dispatch if the carrier can accept the shipment.

QUESTION: When consolidating shipments to obtain lower costs, do the provisions of MAXPACK apply to the entire weight?

ANSWER: MAXPACK would be computed on each individual shipment and not on the entire weight. Only the line haul rate is based on the entire weight of the shipment.

5. The following situations are provided to illustrate real computation for consolidation of shipments. Costs are derived from Domestic Rate Solicitation for example purposes only.

### Scenario 1:

Comparison of consolidation costs based on different weights and same distance

Shipment A						1500 Miles
Shipment B						1500 Miles
Shipment C						1500 Miles
INDIVIDUAL SHIPMENTS				CONSOLIDATED SHIPMENTS		
	WEIGHT	LINEHAUL RATE (CWT)	EXTENDED CHARGE		LINEHAUL RATE (CWT)	EXTENDED CHARGE
A	3,400	\$ 50.60	\$ 1,720.40	17,900	\$ 36.65	\$ 6,560.35
B	6,000	\$ 43.80	\$ 2,628.00	2 EXTRA PICKUPS	\$34.35ea.	\$ 68.70
C	8,500	\$ 38.05	\$ 3,234.25	2 EXTRA DELIVERIES	\$34.35ea.	\$ 68.70
TOTAL	17,900		\$ 7,582.65			\$ 6,697.75
<b>RESULT: Consolidation is cost favorable.</b>						

### Scenario 2:

Comparison of consolidation costs based on different weights and distance

Shipment A						1000 Miles
Shipment B						1050 Miles
Shipment C						1200 Miles
INDIVIDUAL SHIPMENTS				CONSOLIDATED SHIPMENTS		
	WEIGHT	LINEHAUL RATE (CWT)	EXTENDED CHARGE		LINEHAUL RATE (CWT)	EXTENDED CHARGE
A	3,400	\$ 38.40	\$ 1,305.60	17,900	\$ 31.20	\$ 5,584.80
B	6,000	\$ 34.15	\$ 2,049.00	2 EXTRA PICKUPS	\$34.35ea.	\$ 68.70
C	8,500	\$ 32.65	\$ 2,775.25	2 EXTRA DELIVERIES	\$34.35ea.	\$ 68.70
TOTAL	17,900		\$ 6,129.85			\$ 5,722.20
<b>RESULT: Consolidation is cost favorable.</b>						

### Scenario 3:

Comparison of consolidation costs based on different weights and distance

Shipment A					800 Miles	
Shipment B					1100 Miles	
Shipment C					1500 Miles	
INDIVIDUAL SHIPMENTS				CONSOLIDATED SHIPMENTS		
	WEIGHT	LINEHAUL RATE (CWT)	EXTENDED CHARGE		LINEHAUL RATE (CWT)	EXTENDED CHARGE
A	5,000	\$ 28.35	\$ 1,417.50		19,500 \$ 36.65	\$ 7,146.75
B	6,000	\$ 35.35	\$ 2,121.00	2 EXTRA PICKUPS	\$34.35ea.	\$ 68.70
C	8,500	\$ 38.05	\$ 3,234.25	2 EXTRA DELIVERIES	\$34.35ea.	\$ 68.70
TOTAL	19,500		\$ 6,772.75			\$ 7,284.15

**RESULT: Consolidation is NOT cost favorable.**

### Scenario 4:

Comparison of consolidation costs based on different weights and same distance with extra pickup & delivery

Shipment A					1500 Miles	Extra Pickup*
Shipment B					1500 Miles	
Shipment C					1500 Miles	Extra Delivery**
INDIVIDUAL SHIPMENTS				CONSOLIDATED SHIPMENTS		
	WEIGHT	LINEHAUL RATE (CWT)	EXTENDED CHARGE		LINEHAUL RATE (CWT)	CHARGE
A	3,400	\$ 50.60	\$ 1,720.40		17,900 \$ 36.65	\$ 6,560.35
	extra p/u	\$ 34.35	\$ 34.35			
B	6,000	\$ 43.80	\$ 2,628.00	3 EXTRA PICKUPS	\$34.35ea.	\$ 103.05
C	8,500	\$ 38.05	\$ 3,234.25	3 EXTRA DELIVERIES	\$34.35ea.	\$ 103.05
	extra delivery	\$ 34.35	\$ 34.35			
TOTAL	17,900		\$ 7,651.35			\$ 6,766.45

**RESULT: Consolidation is cost favorable.**

\* Extra Pick from customers office

\*\* Extra Delivery to mini storage